GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:402
ANSWERED ON:20.11.2001
DISINVESTMENT OF CMC
RAVINDRA KUMAR PANDEY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the proposal for the disinvestment of public sector CMC Limited has been finalised;

(b) if so, the details in this regard and the reasons therefor;

(c) the number of bidders participated in the bid alongwith their rates;

(d) whether Tata Consultancy Services have expressed their interest in taking over the control of this company;

(e) if so, the details thereof;

(f) whether the Government have accepted the proposal of Tata Consultancy Services; and

g) if so, the details of the terms finalised?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) and (b) Yes, Sir. The management control of CMC Ltd. was handed over to the strategic partner on 16th October 2001.

(c) to (g) Two bidders submitted their bids but one bid was found to be a non-compliant bid as the required bank guarantee was not submitted by the bidder. Hence, the bid was not opened. The bid amount quoted by the other bidder, namely Tata Sons Limited, was Rs.152 crore for 51% equity of CMC Ltd. After evaluation of the bid, the bid of M/s. Tata Sons Limited was accepted and after signing of the necessary documents, the management was transferred to them on 16.10.2001